

**BUSINESS STRATEGY DEVELOPMENT AND BUSINESS MODEL
RS .BAKTI TIMAH (RSBT) GROUPS PANGKAL PINANG
UNDER BAKTI TIMAH FOUNDATION (YBT) BECOME PT. RS BAKTI TIMAH AS
AN EXISTANCE OF DIVERSIFICATION EFFORT FROM PT.TIMAH (PERSERO)
TBK**

M Subuh Wibisono and Mohammad Hamsal
School of Business and Management
Institute Technology of Bandung
subuh.wibisono@sbm-itb.ac.id

ABSTRACT

Abstract – Rumah Sakit Bakti Timah groups (RSBT) is a hospital that managed by Bakti Timah Foundation. Now, RSBT will become independent through forming an Inc (Incorporated) that will be called “PT RS Bakti Timah”. Concern with the stock-holdings from this PT RS Bakti Timah (99 %) by PT Timah (Persero) Tbk, and (1 %) by Bakti Timah Foundation. This research shows the internal condition of the company and external industry situation with internal and external analysis to find the root causes. In this part, the authors used some model, they are external business situation analysis (macro environment) PESTLE Analysis, Industry Analysis Porter’s Five Force, Internal Analysis Resources and Capability, Business Model and Value Proposition Alignment, Business Model Need Analysis, SWOT analysis, and qualitative survey in questionnaire form and interview. From the business issues faced by RSBT groups, we got major problem that RSBT groups has difficulty to get investment asset from investor (Bank) because its status under foundation. If RSBT groups will become independence, RSBT will get many benefit from PT Timah (Persero) Tbk Company as majority asset holder (99 %) and minority asset holder of Bakti Timah Foundation (1 %). From business issues that RSBT groups faced, the major caused by RSBT groups’ status under Bakti Timah Foundation until RSBT groups has difficulty to get investment asset from investor (Bank) because its status under foundation, with this independent of RSBT groups many benefit will be get for PT Timah (Persero) Tbk Company as majority asset holder (99 %) and minority asset holder of Bakti Timah Foundation (1 %). The result of this study we solve this problem by using Strategic Innovation and Business Model Canvas, Strategic Generic Porter’s ; Corporate Strategy PT RS. Bakti Timah and Business Strategy RSBT groups, together with Business Model Canvas RSBT groups existing and Business Model Canvas RSBT groups New/proposed. From the results, we suggest to implement analysis results into practical action.

Keywords: RSBT groups, hospital business, development strategy, Strategy Implementation, business model Canvas

1. Introduction

PT Timah Tbk. now is facing obstacle relating to raising health care costs from year to year, example during 2011-2012 the costs increased nearly 7 until 10 billions Rupiah. PT Timah need to immediately conduct a study on the independence plan of Bakti Timah Hospital groups that it was still under the auspices of Yayasan Bakti Timah (YBT) or Bakti Timah Foundation into a limited company (PT) which will be named "PT RS Bakti Timah" (PT RSBT). Composition of shareholding is 99% of PT Timah Tbk and 1% of YBT. This is a form of diversification effort conducted by PT.Timah Tbk appropriate and in line with the pillars to 4 RJPP PT.Timah (Persero) Tbk in 2012 -2017. PT Timah Tbk is developing a "Strategic Business Unit" (SBU) competency-based company so that it can be "Sustainable".

The future, PT. RSBT is expected to serve as holding company that supervises all Timah Hospital groups that had been managed by YBT. The independence of RSBT groups as limited company will be easier to search for and obtain funding will be main business issue" in the context of the development of RSBT groups. There are several alternative solutions to do this plan, such as in early stage PT Timah should give funding is about fifty five billions rupiah in the 3rd quarter of 2013. This funding will be used as investment and infrastructure development (building infrastructure, medical equipment). Hospital Service of class B will be profit oriented and follow International standardization adopting ISO 9001 with tourism hospital concept.

The main function of RSBT groups is to control healthcare cost of PT Timah Tbk and its subsidiaries. Networking of RSBT groups will be provider for healthcare insurance relating to the enactment of Law No.40/2004 on National Social Security System and Law no. 24/2011 on the organizers of the Social Security Agency. The goverment has prepared a roadmap of National Health Insurance as a form of social protection in health. The advantages of RSBT are to manage PT Timah Hospital groups using brand "Timah" and network security are scattered throughout the area of operations PT.Timah (Persero) Tbk and Subsidiaries.

All the time, the earning of RSBT got from the employee/pensioner/family of PT Timah of 30% and third party of 30%. It is expected that RSBT groups' revenue can grow by 10 until 15% with main captive market got from publics within province of Bangka Belitung, Riau, and others. PT Timah will be expecting to be sustainable, competitive, advantage and great company.

2. BUSINESS ISSUE EXPLORATION

Bakti Timah Hospital as a foundation hospital which was formerly owned by PT. Timah. It was established since 1990. It serves service for 24 hours, including emergency unit, clinic labolatory, radiology unit, patience room. The goals of this hospital are to be the best hospital and increasing healthy of Bangka Belitung society, to make independence hospital and well-managed, and to be wealth organization through increasing profesionalism. PT Bakti Timah Hospital (RSBT) face some challenges and obstacles to reach these goals, we conduct this study to solve this problem.

2.1. CONCEPTUAL FRAME WORK

Figure 1 shows conceptual framework underlying our research.

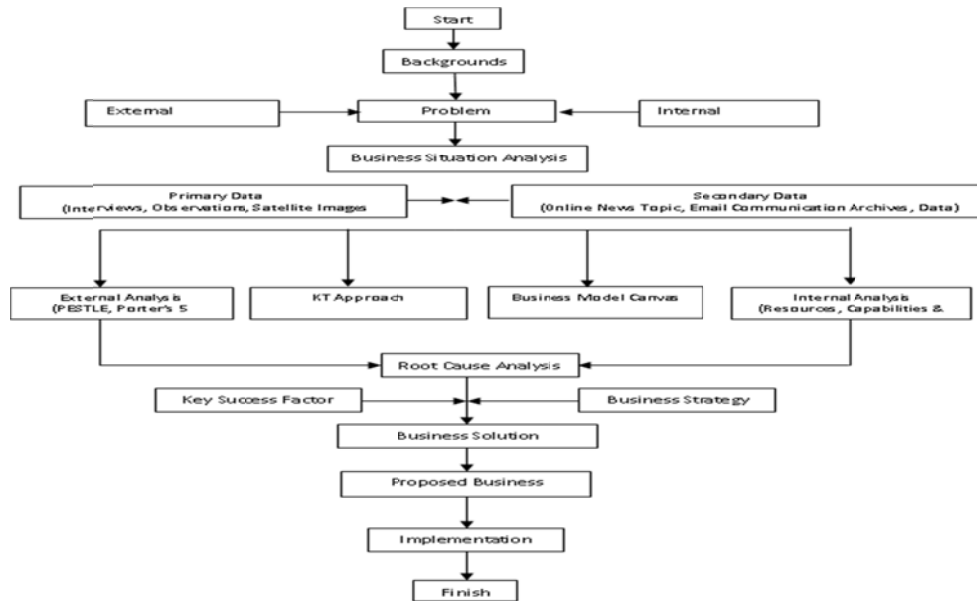


Figure 1 Conceptual Framework

2.2 METHOD OF DATA COLLECTION AND ANALYSIS.

The historical data of the health costs of PT Timah (Persero) Tbk in the last 5 years from 2008 to 2012 are likely to increase as Table 1-5 below:

Table 1 Health cost of PT Timah (Persero) Tbk in 2018-2012

No	Hospital or drugstore	2008		2009		2010		2011		2012	
	BANGKA	Visitor	Cost	Visitor	Cost	Visitor	Cost	Visitor	Cost	Visitor	Cost
1	RSBT PKP	10,686	8,262,548,238	11,707	11,761,641,820	11,891	12,836,567,644	11,299	13,823,507,034	13,254	15,993,671,106
2	RSMS S.LIAT	7,296	6,533,712,941	7,707	7,902,807,666	15,675	11,002,373,678	7,791	8,546,487,782	6,215	7,778,846,831
3	RSMS BELINYU	1,304	420,225,469	1,731	916,232,337	2,833	1,224,540,508	2,169	1,563,106,578	2,727	2,113,375,430
4	PYD MENTOK	3,934	1,081,467,360	3,831	1,719,236,406	5,462	2,726,759,529	5,294	2,834,649,379	4,713	2,812,279,225
5	PYD JEBUS	781	304,559,865	783	361,969,301	1,114	511,407,910	1,123	795,597,071	1,052	839,069,951
6	PYD TOBOALI	1,144	354,895,509	1,156	511,433,421	1,184	625,830,156	1,089	669,079,057	972	733,704,985
7	APOTIK ALFA	444	757,010,050	568	1,124,315,160	335	782,087,400	344	839,571,300	511	535,585,200
8	APOTIK KF PKP	1,517	1,109,653,483	1,342	1,176,743,323	664	849,693,663	331	405,926,773	574	333,161,849
9	PTENSEVAL	55	337,874,900	107	439,668,000	89	524,814,750	53	313,317,400	14	91,740,000
10	RESTITUSI	33,744	9,510,605,771	37,687	12,176,300,362	37,399	13,599,859,067	33,641	13,953,107,059	31,575	13,166,546,750
	TOTAL	60,905	28,672,553,586	66,619	38,090,347,796	76,646	44,683,934,305	63,160	43,744,349,433	61,607	44,397,981,327

Situation Analysis

The situation need to take the most appropriate decisions to solve issues through several stages, namely Situation Appraisal (SA), Problem Analysis (PA), Decision Analysis (DA), Potential Problem

Analysis (PPA). After doing a problem, decision, potential problem analysis, we determine priorities grave problem that is immediately the independence RSBT Groups that are under YBT be a "Limited Liability Company" as one form of Diversified Business PT Timah (Persero) Tbk with the name "PT Rumah Sakit Bakti Timah.

2.2.1 RESEARCH METHODOLOGY

This study used several research method, such as:

- Interview: CEO PT.Timah Tbk, YBT Chairman, Board of Directors RSBT Pangkalpinang
- Questioner
- A Literature Review, Case study, Jurnal relevant business.
- Benchmarking / Study appeal: PT RSPP, PT RS.Pelni.PT RS PUSRI RS, PT RS Bukit Asam (local) and RS Mount Elizabeth Singapore, RS Malacca Mahkota Malaysia. (International Hospital).

2.2.2 BUSINESS SITUATION ANALYSIS EXTERNAL RSBT GROUPS ("MACRO ENVIRONMENT"): PESTLE ANALYSIS

Table 2 Pestle Analysis

Politic	Regional autonomy with its consequences: Interpretation of each head different areas of the various regulations, permission, taxation, CSR and Community Development often exceed the provisions and purposes especially if ahead of Election; Each local leader has the authority to issue and cancel Hospital Permit (SITU . SIO, SIG), and often on the basis of their interests tend memberikann licenses to private competitors.
Economic	Hospital service industry and Market: Demand rising receive hospital facility services with service quality and good service, professional, comprehensive.
Socio-culture	Public perception that they need health care facility hospital quality, friendly, professionals with modern medical equipment.
Technology	Sophisticated medical technology and hospital IT is an integrated online and has been controlled by a competitor (competitor's Hospital)
Legal	Implementation Law No. 29/2004 on the Practice of Medicine, Law no. 44/2009 of the Hospital, Law no. 36 of 2009 on Health, Law no. 40 of 2007 on Limited Companies Law no 28 of 2004 tentng Foundation, Law 40 of 2004 you know about the National Social Security System (Navigation), Law no. 24 of 2011 on BPJS, has been running / force that must be followed by every citizen Indonesia.SE-08/MBU/WK/2012 know about capital investment for the establishment of state-owned Subsidiaries: shares, at least 99%.
Ecology	<ul style="list-style-type: none"> • Ramah lingkungan dan mematuhi berbagai regulasi lingkungan hidup (LH) yang mengikat seperti: RKL/RPL AMDAL, IPAL RS. • Environment friendly and comply with various environmental regulations (LH) binding such as: RKL / RPL AMDAL, IPAL RS

2.2.3.INDUSTRY ANALYSIS : PORTER'S FIVE FORCES

Table 3 Porter's Five Forces

Industry Rivalry among Existing Firm	The majority of hospital services business players in Indonesia is a government hospital and a private hospital and the national minorities by PMA Hospital but in the era of globalization,it is possible it RS
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	The majority of hospital services business players in Indonesia is a government hospital and a private hospital and a national minority by the Hospital in the era of globalization PMA but it is possible future this hospital will dominate the hospital services business because they have considerable financial resources. It must be in anticipation of the government so that the majority of hospital services business must be mastered by private hospitals nationwide.
The hospital Industrial Services Local, National, International.	National Private Hospital or the hospital PMA easy entry into new businesses due to Indonesian hospital services so that potential captive market with a large population of around 240 million people.
Supplier : • PBF • Health equipment • Catering service • Laundry	<ul style="list-style-type: none"> • Distributor drugs, medical devices easily toying supply of drugs, reason of price disparity. • Changes in medicines procurement system initially be centralisasi decentralized procurement of medicines / medical supplies in PT.Timah Bakti Husada (holding company).
Buyer : • End User Buyer	<ul style="list-style-type: none"> • Buyer utama jasa Rumah Sakit (Customer) adalah segment masyarakat kelas menengah ke atas • Main Buyer (Customer) is a segment of middle class
Substitute :	<ul style="list-style-type: none"> • Alternative Medicine, Herbal Clinic, Clinic of TCM., Eye Clinic Ayuverda India

2.2.4. INTERNAL ANALYSIS : “RESOURCES AND CAPABILITY”

Table 4 Internal Analysis

<p>Resources</p> <ul style="list-style-type: none"> • Tangible: <ul style="list-style-type: none"> • Financial condition is quite good • Supply of medicines is "uncontrollable" and high cost • Genset backup machine RSBT is old and inefficient so that the operational and maintenance costs are very high • Information Technology Hospital in finance, HR, logistics, Online Operations are not well integrated. • The quality of emergency services, Rajal, Ranap, Laboratory, Radiology is good enough. • Lack of fix specialists in RSBT groups • Intangible: <ul style="list-style-type: none"> • Integrated Management Information System • Reputation of the company / product RSBT services groups in a good hospital • Human Resources: <ul style="list-style-type: none"> • "Knowledge Management" is not well maintained • There is generation gap in Human Resources (late regeneration) • Culture practice has not been properly internalized • Employees experts / seniors will be retired soon • Power employees are weak • o Utilization of RSBT employee groups is not optimal
<p>Competitive Capability:</p> <ul style="list-style-type: none"> • Good service quality and wide networking

<ul style="list-style-type: none"> • Marketing Network Hospitals within the area of Bangka - Belitung, Karimun-Kundur has been dominated. • Management Information System is good.
<p>Competitive competency:</p> <ul style="list-style-type: none"> • Expertise of doctors in RSBT group is very good in providing services for the treatment of patients because of "brand image" of RSBT groups IS well maintained. • Expertise nurse / paramedic in RSBT groups is very well so that it can meet the expectations of customers / patients) • PangkalpinangRSBT groups constantly strive to make the customer / patient satisfied with the service provided (Customer satisfaction)
<p>Sustainable Competitive Advantage and Capabilities:</p> <ul style="list-style-type: none"> • Fixed Specialist senior, "Marketing Channel"; "High Quality & Good Reputation"; "Management Information System

2.3 BUSINESS MODEL AND VALUE PROPOSITION ALIGNMENT



Figure 2: "Business Model Value Proposition And Alignment" RSBT Groups PT Timah's Hospital

Hospital services industries that give service excellence, quality, fast, friendly, professional are highly influenced by the Supply & Demand, where the role of "Brand RSBT groups" and "network" that is widespread on the island Bangka-Belitung Islands province of Babel, Karimun-Kundur, Riau Islands.

During demand on service of hospital is larger than supply of health facilities, so regardless of the amount of space outpatient and RSBT groups will certainly be used by customers that have been loyal with RSBT groups

2.4 BUSINESS MODEL ANALYSIS

To establish a business model made by "Business Model Canvas", the elements are described in the following section:

1. Business Model Canvas PT Bakti Timah Hospital New/ proposed.
2. Value Proposition
3. Customer Segment
4. Channel
5. Customer Relationship

6. Key Partner
7. Key resources
8. KeyActivity
9. Cost Structure
10. Revenue Stream

2.5 QUESTIONNAIRE

To better understand customer needs, market demography, behavioral, market trend and market growth, we used questionnaires. This survey was conducted on early March 2013. The participants are 100 respondents of public and 60 respondents of PT Timah employees.

Although no questionnaire data for PT Timah employees, but for the improvement and development market of hospital, we prioritize priority is the data on the responses, desires, from the general public responses, because 60% of the market share of this hospital is the general public that can still be taken by competitors. But 40% market share lead employees relatively easily maintained with the cooperation between PT. Timah Tbk and RSBT Groups. The results show that customers hopes additional room for main room, first room, VIP room, VVIP room. This shows that the segment of the most open markets in RSBT Pangkalpinang is upper-middle class with rates that are still considered reasonable.

2.6 SWOT ANALYSIS

SWOT analysis illustrates strengths, weaknesses, opportunities and challenges of PT RSBT:

Table 5 SWOT Analysis

Strengths <ul style="list-style-type: none"> • Brand image is good • Fund is available • Specialist doctor is available • Strategic location • Big market share • Integrated Networks around Babel and Karimun • Good accreditation 	Weaknesses <ul style="list-style-type: none"> • Medical technology is old • 40% of employees is above 45 years old • There is no complaint in services • For Cardiac cases still need to refer to jakarta • Lack of facilities VIP Rooms & the first rooms • The firm foundation of PT Timah
Opportunities <ul style="list-style-type: none"> • Captive market Timah Group • Population growth • Income per capita increases • The level of service at the hospital is much better • Many patients from Room 1 and VIP must be queued at Room 2 and Room 3 • The development of tourism domestic 	Threats <ul style="list-style-type: none"> • International hospital will be entering Bangka <p>the inclusion of national-standard RS / International</p> <ul style="list-style-type: none"> • There are Ir.Soekarno hospital and public hospital in every district. • RSIA • The emergence of an alternative clinic (TCM, Ayuverda) • Almah hospital, Arsani hospital, RSK Bhakti wara

3. BUSINESS SOLUTION

3.1 Strategic Innovation and Business Models

Business Model is a framework for making "Profit / Money" (Afuah, 2004, Johnson et al.2008). Business Model Innovation is needed in a company that wants to be a "Great Business" and encourages companies to "Growth" spectacularly (Johnson et al, 2008). For the future, business competition will require a business model which varies according to the era and the challenge (Hamel, 1994). After making a business strategy, it will be reduced to business model and will be followed by a business plan in the form of the completely company's activities then followed by financial analysis. Element of business model is formed of Value capture and Value Creation. Business models can be built from the way we satisfy customer by creating a new business model from existing business impacts. Successful company is a company that is able to do create value for customers. We should not let competitors creating products, processes and services beyond your company. Your company should be the one continuously and periodically making new innovation. To keep business existence is how to create customers.

3.2 BUSINESS STRATEGY HOLDING PT TIMAH'S HOSPITAL (PORTER'S GENERIC STRATEGY)

3.2.1 "Corporate Strategy PT Timah's Hospital".

PT Timah Tbk do Strategic business units by keeping relationship with other hospitals (Pangkalpinang hospital, Mentok hospital, Karimun hospital, Medika Stania Sungailiat hospital and BP & RB Pusyandik Bakti Timah hospital). The following is the ways conducted by PT Timah Tbk as holding company:

1. Making RSBT group independently doing activities relating to finance, human resource, logistic, and operational at least 2 years.
2. Assigning the entire top management of each Strategic business unit to redefine their business processes in order to draw up a new business strategy that has advantages Sustainable Competitiveness which will make the company forward into "Sustainable Competitive Advantage.
3. Assigning the entire top management of each strategic business unit to conduct mapping of tangible and intangible resources and capabilities of each strategic business unit and shareholder to facilitate the management of the portfolio of strategic business unit to be able to work together and in line with business strategy of holding company.

With a "Strategic Business Units" with a business-related field Industri Services Hospital services (RSBT Pangkalpinang, RSBT Geese, RSBT Karimun, RS Medika Stania Sungailiat and BP & RB Pusyandik Timah), then PT Timah's Hospital as a "holding company" should serve as a "parenting advantage" "supayasemua subsidiary / strategic business unit under it" synergy "by:

1. The independence "Strategic Business Unit" (SBU) Hospital Timah groups in the field of "Finance", Human Resource, Logistics and Operational "within a period of at least 2 (two) years by the separation of the above aspects of a" holding company".
2. Assigning the entire top management of each SBU to redefine their business processes in order to draw up a new business strategy that has advantages Sustainable Competitiveness (KDSL) which will make the company forward into "Sustainable Competitive Advantage" (SCA) ..
3. Assigning the entire top management of each SBU to conduct mapping of tangible and intangible resources and capabilities of each SBU and holding to facilitate the management of the portfolio of SBUs to be able to work together and in line with business strategy "holding company".

3.2.2 "Business Strategy" SBUs Hospital Timah groups.

From "Pestle Analysis" can be summarized that the Hospital Services Industry both national and international is very interesting. In the era of globalization in which foreign investment Hospital will go to

Indonesia for hospital business. The number of inhabitants in Indonesia more than 240 billion, it means big market size so they try to get permission to build international hospital using modern medical equipment, sophisticated, and specialist doctors are international caliber that standardized ISO 9001. Based on the Porter's Five Force analysis, we see that domestic hospital got pressures from new players and influence of Law on Regional Autonomy and NO. 29/2004 on the Practice of Medicine, Law no. 44/2009 of the Hospital, Law no. 36 of 2009 on Health, Law no. 40 of 2007 on Limited Liability Companies, Law no.28 of 2004 concerning the Foundation, Law No. 40 of 2004 on National Social Security System, Law no. 24 of 2011 on BJPS. These laws must be followed by Indonesia citizen and Foreign Investor operating in Indonesia.

Meanwhile, intangible resources such as: "knowledge management" is not well maintained. There are generation gap, unculture practice, retired expert employees, powerless employees, less optimization, so RSBT group lost competitive advantage that ultimately made its life cycle corporation are decline.

Based on the above analyzes, RSBT need to leverage growth quickly so there is no negative growth. Then, the most appropriate strategy for these situations and conditions is Overall Cost Leadership" referring to Porter's generic strategy. It is necessary to take the following steps:

1. Build positive internal of "corporate culture" such as integrity, commitment, an open mind, innovative, rational, responsible, high fighting spirit.
2. Increase competence "soft skills" and "hard skills" for all employees.
3. Control health care costs that the company tends to always increase from year to year,

4. CONCLUSION AND IMPLEMENTATION PLAN

4.1.Conclusion

Corporate Strategy of PT. Timah Hospital.

PT RSBT as the holding company should serve as a parenting advantage that all subsidiaries or strategic Business Units can be synergy and fit with its business processes in order to draw up a new business strategy in accordance with its vision and mission. Therefore PT RSBT will be sustainable, competitive, advantage with superior performance.

4.2 Rekomendation

The momentum of the independence RSBT groups become PT.Rumah Sakit Bakti Timah which will be subsidiary of PT Timah (Persero) Tbk is in the mid-2013 must be realized. So, RSBT groups become leader for business hospital service using international standard based on ISO 9001. If PR RSBT apply standard quality of ISO 9001 in Bangka, Belitung, Riau, Karimun for the next three year it will be International hospital.

4.3. Implementation Plan

This study will need to be followed up by creating a business strategy in detail including:

1. Operational Strategy Hospital.
2. Strategy Services Marketin of Hospital ("Marketing Mix").
3. 4Financial Strategies Hospital.

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